

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1608 - SB 1542

March 17, 2011

SUMMARY OF BILL: Eliminates licensure requirements for a person or entity who submits a bid for removal of materials such as insulation from a building as part of the process of mitigating water damage. Requires the person or entity to disclose they are unlicensed, and to obtain required permits and inspections. Prohibits the person or entity from performing any work affecting the structural integrity of the building.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$26,300/Board of Licensing Contractors

Assumptions:

- The Board of Licensing Contractors estimates there are currently 200 licensed contractors classified as performing disaster response for water mitigation. This number is assumed to remain constant.
- The Board charges a \$200 license renewal fee every two years. The recurring decrease in state renewal fee revenue will be \$20,000 [(\$200 renewal fee x 200 licensees) / 2 years].
- The Board charges a \$250 application fee for new licenses, and receives approximately 50 new contractor applications each year. The recurring decrease in state application fee revenue for new licenses will be \$6,250 [(50 applicants x \$250 fee) / 2 years].
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board of Licensing Contractors had closing balances of \$1,181,318 in FY08-09, \$399,742 in FY09-10 and a total year-end closing reserve balance of \$1,581,060 on June 30, 2010.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/sbh